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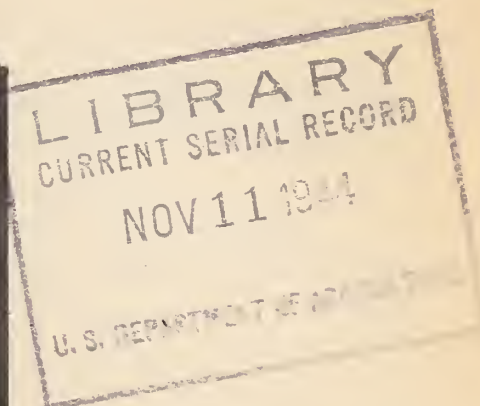
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# *Marketing activities*



**WAR FOOD ADMINISTRATION** Office of Distribution

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## WHAT'S AHEAD IN POULTRY AND EGGS?

. . . . By C. W. Kitchen

Today, while still in the midst of war, we have reached a point where businessmen whose industries have been geared to war should begin to consider their post-war courses. For the immediate future the job in food seems to be one of maintaining peak war production without unbridled expansion. But what about after the war? Shall we anticipate near-war-time volume for 6 months or 2 or 3 years, or shall we begin cutting down now?

No one can answer these questions. There is a big relief and rehabilitation job to be done in Europe, Asia, and Africa, and for a while, at any rate, it will require American-produced and -processed food. That is true, that is, for American food as a whole, but we may be reasonably sure that American eggs, egg products, and poultry are not likely to be much used for this purpose. Most certainly their use will not require any increase in our output here nor will it take up the slack if we lose our present wartime outlets.

### Egg a Day?

The total production of eggs in 1944 is expected to exceed 60 billion. That is enough to provide every person in the United States with 440 eggs this year. We are sharing our supplies with our military forces and allies to the extent of about one-fifth, but even after that fraction is deducted our civilians will have for consumption a record 350 eggs per capita. During the first years of this war our annual per capita consumption ranged from 311 to 316 eggs and in the pre-war years 1935-39 it was only 308. For years, organizations for producing, marketing, and merchandising eggs have been aiming at a sort of ideal U. S. consumption goal based on an egg a day per capita. The present year will find us closer to that goal than ever before.

But suppose that after the war we have a production equal to that anticipated for 1944. Let's assume in addition that our post-war market will not include the outlets that military and lend-lease requirements have created. With our present rate of production, the egg-marketing industry would be faced with the problem of disposing of 440 eggs per capita on a market which absorbed only 308 eggs a year in peacetime. And there, somewhere between 308 eggs and 440 eggs per capita, lies the actual level of post-war production and consumption.

A most important post-war problem is how to keep business activity at a level so high that employment and consumer demand also may be at a relatively high level. Some economists say that if we could keep production and consumer demand at about the level of 1942, we would have relatively good markets for farm products and relatively favorable farm incomes.

How quickly will war industries be able to shift back to peacetime production? Obviously not overnight. Consumer demand for farm products may be affected if the technical problems confronting industry in the reconversion period slow reemployment down substantially. We do not know what food stocks the Government may turn back to private uses. It is the War Food Administration's policy to dispose of food stocks with the least possible disturbance to regular trade channels, but the possible effects of comparatively large stocks of some foods on other foods cannot readily be foreseen. So far as the egg and poultry industry is concerned, however, there seems to be no cause for alarm over the probability that Government-owned stocks will affect the market during the 1944 calendar year.

The war and the conditions and controls it has called forth have made some big changes in the production and distribution of poultry and eggs. Let's look at some of these changes--as they exist now and at the problems they have created--and ask ourselves what lies ahead for the industry during the remainder of the war and in the transition period that will follow.

Government regulations and goals have influenced changes in total production, shifts between regions, variations in grade, and quality. Rationing and price control have affected demand, and their removal will affect it also. And the discontinuation of consumer subsidies may mean lower prices to producers or higher prices to consumers.

#### Steagall Commodities

Shell eggs, turkeys, and chickens (except broilers or live chickens under 3 pounds in weight) are among the so-called Steagall commodities the prices to producers of which WFA is required to support at 90 percent of parity for 2 years following the first January after hostilities cease. So far as the poultry and egg industry is concerned, these 2 years would seem to be the period of transition from war to peace. Announcement of a definite program under this legislation can be made from time to time. The present announced commitment extends to the end of December 1944. Plans are being developed for 1945 and probably will be announced before the first of the year. How far price support will be carried out after the war depends largely upon the amount of funds supplied by Congress, but since Congress by law has assured farmers of continued price support, appropriation in due course of the necessary funds would seem to be a reasonable expectation.

It may be assumed that during this 2-year period the need for eggs and poultry will decrease considerably. Since the purpose of the provision is to enable farmers to convert to peace, we may also assume that it may be necessary to set up adjustment controls that will enable them to gear their production to peacetime needs.



The farmer's share of the consumer's dollar is an important item to processors and distributors. Today this share is high because prices generally are higher, and farm prices have advanced faster than distribution costs. Distribution costs have lagged behind prices because business volume has increased and because savings in various practices that had long been considered advisable and economical have cut operating expenses. A general price decline, if it comes, will of course affect farm prices adversely. In such a case distribution costs are likely to remain high. We may expect pressure to be brought against the adoption of new marketing practices that require less labor--even though they save distribution costs--in order to make more jobs.

The problems of marketing food are so important to the country that the House Committee on Agriculture is planning to study them comprehensively. The authority under which this study will be made is broad enough to include all phases of marketing from producer to consumer. It will include methods of assembling products at the shipping point, of processing, storing, transporting, and it will include facilities in the markets, futures trading, and other important distribution functions. There is every reason to believe that the committee plans to conduct the study on a highly constructive plane, and to determine where improvements are needed and what the Government can do to assist in bringing them about. The poultry and egg industry will certainly want to be prepared, so far as its products are concerned, to suggest improvements and ways to accomplishing them.

### Standardization

Some progress has been made in the field of standardization--an important field to the poultry and egg industry. Price control has upset the standardization program somewhat. The grades which have been developed by the Federal Government and the States should be more closely correlated. They may not be fully adaptable to future conditions. WFA is not wedded to the present standards and is always willing to consider suggestions for their improvement.

A sound system of standardization is an important part of the marketing system. As supplies increase, we will have to *merchandise* commodities rather than merely handle them. That means differentiations in quality. These differentiations should be generally understood and accepted, and be capable of practical application. Consumers are not encouraged to eat more of a product unless they are sure its quality is consistently the same. A sound industry merchandising program cannot be accomplished without uniformity of standards and grades throughout the United States. The War Food Administration does not advocate--nor has it or the Department of Agriculture ever advocated--a compulsory program of standardization and grading. But it is WFA's view that country-wide uniformity is so desirable that once the industry becomes convinced maximum consumption depends on quality, its own membership will insist on such a program. In the development of a sound and practical program,

all branches of the industry and the State governmental and educational agencies may count on WFA's full cooperation.

With the quality program we should also adopt practices that will move products to consumers quickly in ways that will maintain quality longer. For example, WFA looks for a marked expansion in poultry evisceration and of the sale of ready-to-cook poultry to the hotel and restaurant trade and to consumers. This practice not only would make for a more appetizing and tasteful product but it has possibilities for economies as well. Parts of the bird that are now wasted might find uses, and the return for these parts may be enough to pay much or all of the processing cost. The success of the poultry industry's marketing branch lies in the field of sound merchandising.

### Transportation and Storage

Transportation and storage hold many problems for the industry after the war and during the remainder of the war. In recent years various trade barriers have risen that impede the movement of farm products among the States. Motortruck movements, for example, are variously regulated. A large number of local and State laws restrict the movement of eggs and poultry. The industry has had experience with these laws, and their effect upon efficient distribution is worthy of study and recommendation by the industry.

Freight rates pose other problems. With other Government agencies and trade and farm organizations, WFA succeeded in getting a suspension--so far as agricultural commodities are concerned--of the freight rate increase which had been authorized in the general freight rate case of 1942. This suspension is saving the poultry and egg industry alone an estimated 8 million dollars a year. It should be remembered, however, that the increase is merely suspended; indeed, it will be up for reconsideration by the time this reaches print. At that time WFA will contest any and every attempt to reinstate the increased rates. In addition to this rate action, WFA has opposed a proposal by motor carriers to increase by about 5 percent their rates for transporting dairy and poultry products from the Midwest to the East.

Recently an attempt was made to raise to 60 pounds the estimated shipping weight on eggs shipped by motortruck. WFA contended that no upward revision was justified. After a survey was made to determine the proper weight, the motor carriers agreed to establish the current estimated weight of 53 pounds per case now applicable to shipments transported by rail.

The supply of refrigerator cars is tighter this fall than ever before at this season. (See p. 17.) Last fall during the peak demand for refrigerator cars, it was necessary to divert certain commodities from refrigerator cars to box cars in order to be sure of having enough refrigerator cars to accommodate the more perishable commodities. At



that time and later, enough refrigerator cars were available for transporting the eggs and dressed poultry that were offered for shipment, and even if the demand for refrigerator cars should become much greater this fall and winter, the stringency would not be likely to interfere with the movement of such perishable products as poultry and eggs.

Since most eggs and poultry move by motortruck, the scarcity of large tires for over-the-road trucking is very important to the industry. With the War Production Board and the Office of Defense Transportation, WFA has established priorities on tires suitable for this type of transport, and trucks that haul poultry and eggs get a preferred rating on this priority scale.

The problems of storage space, which is still crowded, will be with us for some months to come. As of October 1, cooler space was reported to be 78 percent occupied and freezer space was 89 percent occupied.

Finally, there will not be enough wire-bound boxes to hold all the poultry to be marketed, and the same is true for egg cases. Processors who have not already done so should place orders for sawed wood boxes at once, and every handler should order his requirements for next spring now. It appears that three-fourths of the cases needed for 1945 must be fiber cases. Dealers who delay ordering until late winter or spring will find themselves short of cases when they need them.

Yes, there are problems ahead. But not so long ago the Government, as part of the war food program, asked poultry producers, distributors, and processors to produce and handle more poultry and eggs than ever before. The industry rolled up its sleeves. In 1943 the gross farm income from chickens and eggs ran to more than 2.6 billion dollars, as compared with a little over 1 billion in the pre-war years 1935-39--and this in spite of shortages of facilities, equipment, storage, labor, containers, trucks, tires, gasoline, and of a heavily overburdened transportation system.

It will take more than mere problems to faze an industry that can do that.

#### HOSPITALS TO GET SET-ASIDE BUTTER

Five million pounds of butter previously set aside and held by the trade for Government war agencies will be released to hospitals at frequent intervals. The action, which began October 16, is similar to a program in effect last winter and is intended to supply hospitals through February 1945. The hospitals, or agencies buying supplies for them, may apply for a quantity not exceeding three-tenths of a pound per bed per week.

## ALLOCATION OF FLUE-CURED TOBACCO AGAIN INCREASED

Because September 1 estimates indicated a much larger production of flue-cured tobacco, WFA on September 23 increased from 578 million pounds to 624 million pounds the quantity allocated to cigarette manufacturers for purchase at auction during the current marketing season.

The new allocation, made in an amendment to WFO 4.7, is 96 percent of the quantity *used* by these manufacturers in the year ended June 30, 1944, and only 2 percent less than they purchased from the record 1939 crop. The allocation will permit tobacco dealers to purchase 167 million pounds, of which quantity 128 million pounds is intended for sale to manufacturers. The remainder will be applied to export requirements. This is 142 percent of the 1943 dealer allocations.

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## MARKETING OFFICIALS TO MEET

The annual meeting of the National Association of Marketing Officials will be held in Washington, D. C., on December 5, 6, and 7. The executive committee will meet on December 5 in room 5240, South Agriculture Building. Regular meetings will be held in the same building, room 3106, on December 6 and 7.

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## 83 PERCENT OF APPLES FOR U. S. CIVILIANS

U. S. civilians have been allocated more than 103 million bushels of apples for consumption in fresh and processed form during the 12 months ending next June 30. This quantity is 83 percent of the estimated 125-million-bushel total supply, and 13 pounds per capita more than was available to civilians last year. The remaining 17 percent of the supply was allocated to U. S. military services, Territories, and allies.

Production of commercial apples this year is estimated (as of October 1) at 122.6 million bushels compared with 89.7 million bushels last year. The allocable supply includes processed stocks on hand and expected imports of fresh apples and concentrates.

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Because essential requirements for palm oil can be met from the Government stock pile, in which all imports of this product are placed, WFO 38 has been revoked. Under this order, use of the oil had been restricted since March 1943. This was the fifty-ninth War Food Order to be terminated.



## CACHE IN A CAVE

. . . . By Sophia Podolsky

Not far from the geographical center of the United States stands the portal of a cave. To enter, you can save yourself the breath of even an *open sesame!* because one peculiarity of this cave is the electric eye that does the door-opening chore. It has another peculiarity, too: almost 15 acres of galleries within it have begun to serve as an enormous ice box for holding and cooling some 30 to 50 thousand tons of Government-owned food.

After installation is completed of all the blast-type coolers--they pull the natural cave temperature of 55° F. down to about 31°--the War Food Administration expects to employ the usable space for storing (1) food stocks earmarked for lend-lease and liberated areas, and (2) agricultural products during seasons of peak production. Arriving on the scene in a year when U. S. cold-storage facilities have been taxed as never before, the project gives promise of being a boon to farmers, food processors, and the public generally.

The cave--or maybe it should be called a mine--is located near Atchison, Kans. The site has been worked for limestone since 1897. The cavern opens horizontally into a hill, and the floor space is about 615,440 square feet. The ceiling, with an average height of 14 feet, is supported by limestone pillars 22 to 27 feet thick and about 35 feet apart that were left in the course of mining operations. Before WFA arrived, black darkness prevailed in the place except when an occasional lighted truck, dodging pillars and kicking up clouds of stone dust, racketed along the echoing labyrinth like a frightened animal.

### Dust

It was the dust, by the way, that helped the WFA investigators to provision the cavity as a huge food cooler. As mines and caves go, this one is unusually dry; its floor is 60 feet above the level of the Missouri River, which flows near by, and it is insulated from the outside air by 100 feet of shale and rock. When they added to this the fact that the mine lay near four railroad lines (Burlington, Missouri Pacific, Rock Island, and Santa Fe), the investigators decided they had something.

What had to be done before the cave could become a cooler?

The temperature had to be lowered. A cement floor had to be laid. Darkness had to be turned into light. Finally, commodity-handling equipment had to be installed and outside facilities--loading dock, road, and turn-about area--had to be built.

The last item brought up the traffic problem. You open your ice box at home, deposit a pound of butter with one hand and remove a pork chop with the other, and there is no problem. Or if you operate an ordinary cold-storage warehouse, with a long loading platform and plenty of doors,



you begin to have traffic problems but usually they are minor. But this mine, 15 acres of it, had only one opening--a hole 14 by 20 feet square.

Today there is a new portal, with huge doors swinging into a tunnel-like entrance hall 75 feet long. The purpose of this hall is the same as that of the familiar two-door compartment that shopkeepers sometimes erect on their front sidewalks in winter--except that in summer the mine entrance hall keeps warm air from moving *inside*.

Let's see how the ice box will work when it gets into full operation. First, we might stand outside and near it just after a trainload of food, processed at Webb City, Okla., has clattered to a stop on the spur from the Missouri Pacific main line.

Alongside the train is a loading platform or dock 500 feet long. From the freight cars barrels of food are placed end up on skids or "pallets." A pallet is a wooden platform about 4 feet square with supports underneath that will hold it several inches above the mine floor on which it will rest later. The barrels (or other containers) are to remain on the pallets as long as they are in storage and during all handling operations until these shipments are again loaded into freight cars en route to their destinations.

Moving along the loading dock are trains of another sort. Let's go up to one of them.

Its cars are a string of four or five trailers, each with a flat bed only slightly larger than the area of a pallet, and they are pulled by a red gasoline "mule." Now each trailer car has been loaded with a pallet holding three barrels. Let's climb on the mule, taking a seat beside the driver, and ride the trailer train down the dock ramp and up the hill over the new road to the cave.



At the turn-around place just outside the portal, an electric mule takes over the load. We change trains and watch the gasoline mule (its fumes inside the ice box might damage the stored food) hurrying back with its string of empty trailers for another load from the dock. With the electric train we roll into the mine.





Before us for nearly 1,000 feet stretches the erstwhile gloomy cavern, now a lighted miniature city shaped like the cross section of a lopsided onion bulb. Nine boulevards, each with side aisles off it, extend from entrance to perimeter. The place is neatly stacked with barreled and cased foodstuffs, each container stenciled according to contents and weight. The driver tells us that the stored foodstuffs include dried eggs, dried fruit, lard, cheese, cured and salt meats, and sacked rice (the rice is in cold storage to prevent weevil infestation).

The trailer train stops at an aisle opening. An electric telescopic fork truck, working somewhat like a pancake lifter, scoops up a pallet and its three barrels. We watch the elevator with which the truck is equipped as it lifts the palletload of food and stacks it in its proper place in the aisle. We are told that mechanical operations of this kind handle 800 to 2,500 pounds of food as compared with the 25 or 50 pounds a man can manage with his hands and back. After unloading, the driver may head his train back over the route he came or go to the boulevard end and return to the entrance via "Circuit Avenue," the mile-long road that follows the scalloped perimeter.

In summer, all shipments from the mine to seaports will have to roll in refrigerator cars, so a lot of ice is needed on the spot. Ice-making equipment which turns out 300-pound cakes has been installed. To have enough ice for periods of peak shipping, a surplus will have to be built up and stored. And on their trip in and out of storage the ice blocks will follow the same labor-saving routine as the food--on pallets all the way, from freezing machine to refrigerator car.



WFA LOWERS SET-ASIDE  
ON SPRAY MILK POWDER

Manufacturers of spray process nonfat dry milk solids (spray-dried skim milk) will be required to set aside for Government purchase only 40 percent of their production during November, compared with 50 percent during October, under a recent amendment to WFO 54.4. The reduction accords with WFA's policy of buying less heavily in fall and winter, when production is declining seasonally.

There has been no set-aside quota on the production of roller process nonfat dry milk solids since September 1, inasmuch as sufficient supplies of this product were accumulated during the relatively high summer output to cover anticipated winter needs.

RICE SET-ASIDE REDUCED

Set-aside requirements on specified classes of short-grain milled rice produced in the Southern States have been reduced from 35 to 25 percent, and the set aside on long-grain varieties in that area has been eliminated. For all rice in California, where short-grain is produced almost exclusively, requirements remain at 35 percent.

Elimination of the set-aside requirements on long-grain varieties, produced principally in Arkansas, Louisiana, and Texas, will affect about 25 percent of the total milled production, estimated at about 18.5 million 100-pound bags. The short-grain varieties--principally Blue Rose, Early Prolific, American Pearl, Ark Rose, and Zenith--constitute about 75 percent of the total. These are the only varieties subject to the 25 percent set-aside provisions.

Changes in the set-aside requirements were possible because the War Department informed WFA that its future rice purchases were expected to be confined to the long-grain varieties in the South and that indications were that Army requirements might be obtained without a set-aside order. Much of the Army's requirements had been purchased direct from millers.

WFO 99 (USE OF VITAMIN  
A IN FEED) TERMINATED

WFO 99, which controlled the use of vitamin A in mixed feed for poultry and livestock, was terminated as of October 14. The supply of fish oil, fish viscera oil, or fish liver oil of low vitamin A potency which is used in mixed feed has improved under the order, which became effective last May, to such an extent that there is now adequate vitamin A to meet normal requirements of the feed industry.



## FREEZER SPACE FOR ARMED SERVICES

Arrangements have been made, under WFO 116, for the allocation of freezer space in 20 designated cities in leading U. S. meat-packing centers for the use of the armed services in storing meats and poultry.

The order provides for issuance of allocation authorizations for periods of not more than 7 days and applies to freezer space in the designated cities which has or will become vacant during the specified periods. The authorizations require acceptance of commodities owned by the armed services for storage, and provide priority of delivery of such commodities out of storage. The allocations cannot be used in warehouses whose freezers are more than 50 percent filled with Government-owned commodities.

## WFO 42 (FATS AND OILS) REWRITTEN AND SIMPLIFIED

WFA has amended WFO 42 so that it includes only the provisions regulating the use of fats and oils in *edible* products, and has issued separate orders WFO 42a and WFO 42b to limit the use of fats and oils in protective coatings, coated fabrics, floor coverings, and soap. WFO 42 formerly covered all these products. The new arrangement will simplify application of the order to the particular industry involved.

WFO 42 continues to limit the use of fats and oils in edible products (except margarine) to 88 percent of the average quantity used in 1940 and 1941. Fats and oils may be used in margarine up to 167 percent of the average of 1940 and 1941 use.

WFO 42.1 will continue to require users of fats and oils in processes and products listed in the order, and who consume more than 15,000 pounds per calendar quarter, to report their uses to the Bureau of the Census monthly on form BM-1 and quarterly on form BM-2. The minimum reporting requirement formerly was 6,000 pounds per calendar quarter.

WFO 42a will continue to limit the use of fats and oils in the manufacture of protective coatings, coated fabrics, and floor coverings to 70 percent of the average quantity used in 1940 and 1941, plus 10,000 pounds per calendar quarter to be used only after the 70 percent has been consumed.

WFO 42b also will continue to limit the use of fats and oils in soap (on a basis of average 1940 and 1941 use) to 90 percent for package and bar soaps and 110 percent for bulk package soaps, plus 10,000 pounds per calendar quarter to be used only after the quota has been consumed.

## DIRECT DISTRIBUTION TO DATE

. . . . By Bernell Winn

Of all the methods used in distributing agricultural commodities, probably the most versatile is that employed by the War Food Administration in its direct distribution activities. Designed to assure better utilization of farm surpluses and thus improve farm income, the program also makes available to distributing agencies and to eligible recipients certain foods they would not otherwise get.

On the whole, the cycle of direct distribution from farmer to recipient seems to benefit everyone concerned. It keeps prices to the farmer at a desirable level, removes a glut from the market, and provides a valuable nutritional supplement to the recipient's diet--all in a manner that interferes as little as may be with normal trade channels.

In 1933 the Department of Agriculture began a series of programs to buy up and store throughout the country certain commodities that were burdening the markets. From the warehouses, following proper certification, the people who needed help obtained food. Establishment of the Federal Surplus Commodity Corporation marked the first attempt at an orderly system of distributing these surplus foods purchased by Government.

### Section 32

As we know it now, direct distribution came into being in 1936 with the passage of Public Law 320. The aim of Section 32 of this law was to encourage domestic consumption of surplus agricultural commodities or products by diverting them--through the payment of benefits or indemnities or in other ways--from the normal channels of trade and commerce, or by increasing their utilization--through benefits, indemnities, donations, or by other means--among persons in low income groups as determined by the War Food Administrator (originally by the Secretary of Agriculture). For this activity Section 32 makes available 30 percent of receipts on duties collected under the customs law during the calendar year that precedes the beginning of each fiscal year.

Commodities for direct distribution come from two sources--price-support purchases and inventory adjustments: (1) If a commodity price is depressed and the producer does not receive a fair return, an effort is made to stimulate increased consumption through normal trade channels. If this fails and the price continues depressed, the Government through purchases removes from the market enough of the commodities to enable the farmer to get a fair return. (2) Sometimes Government food inventories become available for direct distribution. These are commodities originally acquired for WFA food supply programs but which cannot be so used because program requirements have changed, because transportation and storage facilities are lacking, or because of other hindrances impossible to anticipate. In such cases, commodities are returned to



their original vendors--or vendors of the same or similar products--for distribution through normal trade channels. If this course is adequate, the commodity is made available for direct distribution.

For direct distribution under Section 32, the quantities of commodities that have been bought to support prices may not exceed those that can be used in direct distribution outlets. The quantity that may be used is determined from reports of OD's five regional offices, whose information comes from a poll of district offices in each region. Requests to WFA for donated commodities are made in writing by the distributing agency. To requesting agencies responsible for distributing food to eligible persons or institutions, the commodities are shipped directly as they are bought.

All arrangements for unloading the commodities on arrival are made by the distributor. In the light of the manpower shortage this is a tough nut to crack for many distributing agencies, but here is how it is done at El Paso, Tex.: The Council of Parents and Teachers sends a corps of trained volunteer women to check commodities as they are unloaded, and to ride the delivery trucks and get receipts from receiving agencies. The department of education and the city schools also have helped in distributing the foods to be used in the school lunch program.

#### Eligibles

Eligible to receive direct distribution food are: (1) Any non-profit child-feeding program; and (2) persons whom a welfare agency has declared suitable for receiving aid--including persons who receive direct relief, old age pensions, and aid for dependent children and the blind.

Commodities go also to public or private charitable institutions or to such organizations as homes for the indigent and the aged, hospitals, sanitariums, training schools for children, and institutions for the mentally or physically handicapped. At the receiving agency, the commodities must be consumed in addition to--and not in substitution for--the agency's normal purchases or usage.

In carrying out this activity, WFA through the regional and district offices of its Office of Distribution enters into one of two types of cooperative agreements with various State and local charitable and educational agencies. One type is for agencies that will use commodities in volume. The other type is for agencies that use smaller quantities and that may enter into an agreement with a State or local organization which acts as WFA's agent. Agencies that participate in the first type of agreement usually are State departments of public welfare or of public education.

The peak in direct distribution was reached in the fiscal year 1941 when approximately 2,501 million pounds of commodities were distributed at a market cost of 80 million dollars (the retail value was considerably



higher). This accomplishment was possible because WPA labor was used and sufficient transportation and storage facilities and surplus agricultural commodities were available.

War caused a shortage of labor, of transportation and storage facilities, and of commodities for distribution. For a time it seemed almost certain that direct distribution would end, but later a continuation of the program became assured. During the fiscal year 1944, a shortage of transportation made it necessary to distribute commodities to distributing agencies in carload or half carload lots, but an improvement in transportation conditions plus a greater availability of commodities undoubtedly will lead to an increase in direct distribution.

Although the wartime drain on the Nation's food supply has decreased the number of commodities available for direct distribution, the program is certainly not inactive. Only recently commodities allocated for direct distribution in Nebraska were borrowed from participating institutions for distribution in that State to victims of a flood. In 2 counties 428 families received food, and many other persons received some of the food through temporary field feeding stations. The distribution totaled 24,160 pounds of food, including evaporated milk, potatoes, shell eggs, grapefruit juice, and onions.

Other recent activities that enabled WFA to distribute large quantities of food through noncompetitive civilian channels include the distribution of 16,000 bushels of snap beans, 32,568 cases of eggs, and 390,000 bushels of apples. (The apples, hurricane knocked from trees in the East, were distributed in 6 weeks.) In these cases and others quick action provided a ready outlet for commodities that could not have been distributed in any other way without causing trouble in the market.

The goal of the direct distribution program is to take surpluses from the places where they only create problems and to move them to places where they can help make America a Nation of well-fed people. The very flexibility of the program, the changes that occur as it adapts itself to changed conditions, indicate that it is on its way.

#### PACKERS TO SET ASIDE

##### CANNER AND CUTTER BEEF

To obtain necessary quantities of canning beef essential for overseas military operations and other war uses, WFA has directed packers operating under Federal inspection to set aside 80 percent of all canner and cutter beef for Government procurement. The regulation became effective October 15 under an amendment to WFO 75.2. A similar regulation was in effect during the 3 months ended last April 30.

## ROUGH ON REEFERS

. . . . By J. C. Winter

Those yellow refrigerator cars you see plodding across the countryside like a string of patient work elephants are continuing to do a massive food-hauling job, but they're getting weary. Not that they won't--individually--go right ahead delivering the goods as long as they can move. The trouble is that while the quantities of food to be hauled have kept increasing in the processing plants, on farms, and in freight houses, the "reefers" have kept wearing out and have got fewer and fewer. And this has been going on so long that now--this fall and winter--the problems it has raised for farmers, marketing and distribution people, shippers, the railroads, and Government are heavy and pressing.

The job of the refrigerator car is to protect meat, butter, eggs, fresh fruits and vegetables, and many other food products that without it would spoil or be damaged by heat or cold. (The refrigerator car is not merely an ice box, remember; in cold weather it is *heated*.) Let's look at the size of that job.

### Fewer Cars

After the high tonnage levels of 1929, there was a considerable decline in the tonnage of the perishable and semiperishable freight ordinarily moved in refrigerator cars. In 1936, the first year for which specific data on movements is available, 1,568,370 cars containing 24,402,191 tons of such freight were handled. In 1940 the figures were about the same--1,526,909 cars and 24,696,125 tons--but in 1943 they shot up to 1,889,993 cars and 41,630,388 tons. In the first 8 2/3 months of 1944, as reported by the Association of American Railroads (to September 23), 10 1/2 percent more refrigerator cars (1,250,594 to 1,131,107) were loaded than in the same period in 1943.

So much for the increase in demand for refrigerator cars. Let's turn to the supply.

With the decline in traffic after 1929, lack of replacements caused the number of refrigerator cars to shrink from more than 175,000 before the depression to 148,287 in 1936 and to 139,752 in July 1944. One reason why the railroads did not replace retired cars during the thirties was the great increase during the decade in the movement by motor-truck of perishables, particularly fresh fruits and vegetables. After the war began, much of this truck tonnage returned to the rails because trucks wore out; parts, repair labor, tires, and gasoline were hard to get; and many a truck operator switched to loads that brought him more profit than did fruits and vegetables.

How is it that fewer and fewer refrigerator cars can have done more and more work?



The answer: Cooperation.

The cooperators are the shippers and receivers of perishable freight; the railroads and the Association of American Railroads; and the Federal regulatory agencies responsible for the movement of food, including the Office of Defense Transportation, the Interstate Commerce Commission, and the War Food Administration.

What probably helped most was the increase that occurred in the load each car handled. Let's set the figures side by side:

<i>Year</i>	<i>Cars</i>	<i>Tons</i>	<i>Average load per car</i>
1936	1,568,370	24,402,191	15.6
1940	1,526,909	24,696,125	16.2
1943	1,889,993	41,630,388	22.0

There we are--since 1940 the average load of perishable freight has increased 5.8 tons per car, or 36 percent. Three cars do the work that used to take 4.

#### Pooling

But that isn't all. The railroads own only about one-seventh of the refrigerator cars in service, the remainder belonging to private car lines and shippers. By pooling all these cars--railroad owned and not--the railroads under a joint arrangement with ODT and ICC have been able to manage the car supply much more efficiently than before the war. The essential thing is to have cars *when* and *where* they are needed--especially when heavy crops of fruits and vegetables must be moved immediately after harvest.

Moreover, shippers nowadays cannot follow practices that were all right before the war. Cars cannot be allowed an unlimited number of diversions en route or to stand idle at destination terminals for days before reconsignment to other points. Producers and shippers have accepted these restrictions patiently and willingly in order to help prevent transportation waste and to assure movement of the food required in wartime.

Indications are that 850 new refrigerator cars will be built in 1944. WFA has recommended that the present program for building 1,800 cars in 1945 be increased substantially, but materials are short and car-building companies are making tanks and other war equipment. And it should be remembered that new construction in the future won't help to move perishables now.

What then of the months just ahead?



Car requirements during the rest of the year will be an estimated 8 percent greater than for the same period in 1943. But in spite of this prospect the Association of American Railroads has expressed confidence that the big hauling job can be done if shippers keep trying to improve their use of the refrigerator car supply. We can get by if everyone concerned with refrigerator cars (1) avoids excessive reconsignments, (2) avoids circuitous routing, (3) uses box cars instead of refrigerator cars when he can, and (4) loads and unloads as promptly as he can.

That ought to get us by--but with very little to spare.

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#### SPECIAL COTTON SAMPLING UNDER PURCHASE PROGRAM

WFA will accept Form 1 Classification Memorandum (commonly referred to as the Smith-Doxey classification) as evidence of the grade and staple of cotton under the 1944 cotton purchase program provided the classification is based on a representative cut sample drawn from both sides of the bale and delivered or forwarded to a board of cotton examiners for classification by (1) the warehouseman executing the warehouse certificate and storage agreement in the cotton producer's sales agreement, or (2) a bonded sampler. In the latter case, the notation "Bonded Sampler" must be marked or stamped on Form 1.

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#### CITRUS PRODUCTS SET-ASIDE ANNOUNCED

Under WFO 22.7, effective October 9, quantities of single-strength citrus juices equivalent to the following percentages of the 1943-44 pack are to be set aside to meet Government requirements: Grapefruit juice, 39 percent; orange juice, 30 percent; and blended (grapefruit and orange) juice, 32 percent.

Set-aside requirements for grapefruit segments will be the equivalent of 58 percent of the pack of 1941-42, which season continues as the base period for grapefruit segments because it was the last during which packing of the product was unrestricted. Only enough tin to pack set-aside stocks has been allocated this year.

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WFA has extended through March 31, 1945, the suspension of inventory limitations on tallow and grease imposed by WFO 67. The suspension had been in effect since May 20, 1944.

FLOUR EXPORT  
PROGRAM RESUMED

WFA has announced a temporary reinstatement, effective October 4, of the program to export U. S. flour to Cuba. The program, which had been discontinued since last July, involves payments by WFA to exporters covering differences between prices of flour in the United States and Cuba.

Under the reinstatement, the payment of price differences will be limited to 300,000 100-pound bags. This quantity will be allocated among exporters according to the quantity of flour that each sold for export to Cuba under the 1943 and 1944 special programs. The rate of payment, from all U. S. ports to Cuba, is \$1.35 per 100 pounds net.

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CORN SET-ASIDE  
ORDER TERMINATED

WFO 103, which required the setting aside of certain corn for sale to authorized purchasers, was terminated October 2. In effect since June 24, when it had superseded another corn-movement order (WFO 98), WFO 103 provided a means of completing delivery of corn pledged to the Government under the earlier order, which for 60 days had restricted sales of corn off farms in 125 counties in 5 Midwestern States. Such sales within the designated area were limited to the Government and to feeders who had obtained certificates of necessity from AAA county committees.

Corn acquired under the program, totaling 71.5 million bushels as of September 25, was urgently needed by processors for the production of critical war products. On October 3 WFA reported that processors had on hand sufficient supplies to insure continued operation until the new crop became available.

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Quotas limiting the sale of cottage, pot, and baker's cheese to 100 percent of the quantity sold in June 1943 were eliminated October 1. Although whole milk and whole milk products were still in tight supply, roller-process nonfat dry milk solids supplies were large in many markets.

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In accord with a previously announced reduction in the support price on hogs for October 1, WFA under an amendment to WFO 75 established officially a support price of \$12.50 per hundredweight, Chicago basis, for Good and Choice butcher hogs weighing 200 to 240 pounds beginning October 1.



## ABOUT MARKETING:

The following reports and publications, issued recently, may be obtained upon request. To order, check on this page the publications desired, detach, and mail to the Office of Distribution, War Food Administration, Washington 25, D. C.

### *Addresses*

- Preparing Today for Tomorrow. October 9, 1944. 4pp. . . . .  
(processed). . . . . By Lee Marshall
- Food Plans and Problems. October 19, 1944. 8pp. . . . .  
(processed). . . . . By Lee Marshall
- Food Distribution Policy. October 22, 1944. 5pp. . . . .  
(processed). . . . . By Lee Marshall

### *Reports*

- A Fact Sheet on Fresh and Frozen Fish. October 1944. 4pp. . . . .  
(processed)
- The Community School Lunch Program. September 1944. 19pp. . . . .  
(processed)
- Cotton Fiber and Spinning Testing Service. September 1944. 16pp.  
(processed)
- State Agricultural Departments and Marketing Agencies with Names of  
Officials. September 1944. 6pp. (processed). . . . .
- Fact Sheet on Sweetpotatoes. September 1944. 3pp. (processed). .
- Tentative U. S. Standards for Grades of Swiss Cheese. . . . .  
October 15, 1944. 6pp. (processed)
- Facts about the Sugar Situation. October 1944. 2pp. (processed)
- Facts about the Meat Situation. October 1944. 2pp. (processed)
- Facts about the Butter Situation. October 1944. 2pp. (processed)
- Revised Annual Estimates of Interest Charges and Interest Rates on  
Farm Mortgage Debt, 1930-43. (Bureau of Agricultural Economics)  
October 1944. 34pp. (processed)
- Farm Production, Farm Disposition, and Value of Barley, 1909-41 by  
States. (Bureau of Agricultural Economics) October 1944. . . .  
39pp. (processed)



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